NAFTA Secretariat - Canadian Section

Secrétariat de l' ALÉNA - Section canadienne

2010 – 11 Estimates

Part III - Report on Plans and Priorities

The Honourable Peter Van Loan
Minister of International Trade

Canada

Table of Contents

Minister's Message 1

Section I – Agency Overview 2
Raison d'être 2
Responsibilities 2
Strategic Outcome and Program Activity Architecture 2
Planning Summary 3
Financial Resources 3
Human Resources 3
Contribution of Priorities to Strategic Outcomes 5
Risk Analysis 6
Expenditure Profile 6
Voted and Statutory Items 8

Section II – Analysis of Program Activities by Strategic Outcome 9
Program Activity 1: Administration of International Trade Dispute Settlement Mechanisms 9
Program Activity Summary 10
Planning Highlights 10
Benefits for Canadians 10
Program Activity 2: Internal Services 11
Program Activity Summary and Planning highlights 11

How to Contact Us 12

Minister's Message

As a trading nation, Canada's continued prosperity depends on the secure, predictable and enhanced market access provided by trade agreements such as the North American Free Trade Agreement (NAFTA). NAFTA is now one of the largest free trade areas in the world and has a total market place of some 444 million consumers. Since 1993 and prior to the global economic crisis, Canada's trade in merchandise with its NAFTA partners has more than doubled to reach C$626.3 billion in 2008. Over that same period, Canada-U.S. trade has more than doubled and the North American economy has doubled in size.

Canada's economic prosperity will continue to be defined by its success in an increasingly integrated international market, especially in North America. Increased competitiveness pressures and the recent economic downturn makes it all the more important to work together to foster the return of economic growth for our economies. Moving forward, Canada will build on achievements to continue the removal of barriers to the free flow of trade and investment.

Exporters and investors are far more likely to engage in international commerce when they have access to impartial dispute settlement mechanisms should disagreements arise. The NAFTA Secretariat, Canadian Section, administers the mechanisms specified under the NAFTA to resolve trade disputes between national industries and/or governments in a timely and impartial manner.

In 2010-2011, the NAFTA Secretariat, Canadian Section, will continue to foster better collaboration with delivery partners in order to improve administrative support to panels and committees. As well, it will continue with its information management undertakings to meet its business needs and legal requirements. Further, it will review the sustainability of its infrastructure to meet its information technology and physical assets needs. These steps will allow it to continue to offer services of the highest quality in the management of international trade dispute settlement mechanisms for years to come.

The Honourable Peter Van Loan
Minister of International Trade

Section I – Agency Overview

Raison d'être

The NAFTA Secretariat's corporate purpose is to maintain a high level, impartial and independent service in the administration of the dispute settlement provisions of the North American Free Trade Agreement, in order to help preserve the benefits of free trade for all stakeholders.

Responsibilities

The NAFTA Secretariat, Canadian Section is an independent agency created in 1994 under the *North American Free Trade Agreement Implementation Act*. Its principle responsibility is to administer the dispute settlement provisions in NAFTA Chapters 19 and 20. It also supports the ministerial-level Free Trade Commission in these matters and participates in the Chapter 19 Working Group. The Canadian Section's mandate was expanded in 1997 and again in 2002 to include the administration of dispute settlement provisions in Canada's Free Trade Agreements with Israel, Chile and Costa Rica.

The Canadian Section is funded by Parliament through a program expenditures vote and it reports to Parliament through the Minister of International Trade.

Additional information on the background and operations of the NAFTA Secretariat may be found at the Secretariat's Internet sites: www.nafta-sec-alena.org and www.nafta-alena.gc.ca

Strategic Outcome and Program Activity Architecture

The following table illustrates the NAFTA Secretariat, Canadian Section's strategic outcome and program activities.

Strategic Outcome	A highly efficient, impartial and rules-based international trade dispute resolution process that benefits Canadian exporters to NAFTA countries, as well as NAFTA country exporters doing business in Canada.	
Program Activity	Administration of International Trade Dispute Settlement Mechanisms	Internal Services

Planning Summary

Financial Resources

The table below provides a summary of the total planned spending for the NAFTA Secretariat, Canadian Section for the next three fiscal years.

Financial Resources ($ thousands)

2010–11	2011–12	2012–13
3,051	3,051	3,051

Human Resources

The table below provides a summary of the total planned human resources for the NAFTA Secretariat, Canadian Section for the next three fiscal years.

Human Resources (Full-Time Equivalent - FTE)

2010–11	2011–12	2012–13
12	12	12

The following table shows the contribution of the departmental strategic outcome to the whole-of-government results. It also lists the performance indicators and targets for the Canadian Section strategic outcome. Finally, it provides the results expected of the two program activities as well as the planned spending for each of them over the next three years. As shown in the Main Estimates, the Canadian Section planned spending is approximately $3.051 million. It is expected to remain stable over the next three fiscal years.

Strategic Outcome: A highly efficient, impartial and rules-based international trade dispute resolution process that benefits Canadian exporters to NAFTA countries, as well as NAFTA country exporters doing business in Canada.

Performance Indicators	Targets
Perception of institutional independence and increased confidence by participants of the integrity of the dispute settlement process.	At least 80 % or more of clients are satisfied that the NAFTA Secretariat, Canadian Section, administers the dispute settlement provisions in a manner that ensures unbiased administrative processes, equity and fairness.
Consistent and immediate availability of accurate, complete and relevant information to support panel proceedings.	At least 80% or more of clients are satisfied with the information support provided to them
Quality of procedural advice and guidance provided to panelists and participants on dispute settlement procedures.	At least 80% or more of clients are satisfied with the procedural advice and guidance provided to them.

Program Activity[1]	Expected Results	Forecast Spending ($, 000) 2010-11	Planned Spending ($, 000)			Alignment to Government of Canada Outcomes
			2011-12	2012-13	2013-14	
Administration of international trade dispute settlement mechanisms	improved support to panels and committees unbiased and equitable administrative processes increased national and international collaborations	1,815	1,711	1,711	1,711	A Strong and Mutually Beneficial North American Partnership
Internal Services	improved management practices and continuous learning corporate culture that ensures transparency in management processes	1,200	1,340	1,340	1,340	
Total		**3,015**	**3,051**	**3,051**	**3,051**	

1. For a description of the program activities, access the Main Estimates at: http://www.tbs-sct.gc.ca/est-pre/20092010/me-bd/FACT-AECI-eng.asp#bm06

Contribution of Priorities to Strategic Outcomes

The Canadian Section has identified its operational and management priorities that will contribute to the achievement of its strategic outcome over the next three years. These priorities are summarized in the following table.

Operational Priorities	Type	Links to Strategic Outcome	Description
1.Provide support to panels and committees	Ongoing	SO 1	The major tasks are case management and administrative, technical and logistical support to panels and committees, including the administration of a court-like registry at a level comparable to other registries of superior courts of record in Canada.
2.Foster collaboration with delivery partners in the administration of trade disputes	Ongoing / New	SO 1	The Canadian Section will continue its collaborative endeavour with the other national sections in joint policy and systems development as well as in the joint administration of dispute settlement panels. To this end, the Canadian Section, in collaboration with our counterparts in the U.S. and Mexico, will undertake a feasibility study to implement an e-filing pilot system aimed at further improving the panel review process.
Management Priorities	**Type**	**Links to Strategic Outcome**	**Description**
3.Management of corporate agenda	Ongoing	SO 1	To ensure continued effectiveness in its operations, the Canadian Section will build on its past initiatives to strengthen accountability and the management and development of its human resources. This year, the Canadian Section will follow-up on the results of the 2009 Capacity Assessment to enhance its internal capacity by leveraging the organizational structures and service delivery models of other micro agencies. The Canadian Section will continue its work to fully implement its new information management policy in line with the Treasury Board initiative.

Risk Analysis

The Canadian Section faces a number of on-going challenges in delivering its mandate:

- In administering the NAFTA dispute settlement system, it is necessary to maintain effective working relationships with the U.S. and Mexican Sections of the Secretariat notwithstanding differing legal, administrative and cultural practices and traditions. This challenge is met through regular contact and the development of strong cooperative relationships aimed at reaching consensus and finding common approaches to administrative and other matters.

- As a micro agency, the Canadian Section must manage increased reporting requirements and respond to other central agency initiatives with limited resources. In particular, the Canadian Section does not always have the necessary expertise in-house and may not have sufficient resources to handle the work load during peak reporting periods. To address these challenges, the Canadian Section has entered into shared services agreements with other agencies and departments for certain activities (human resources support services, financial systems and employee assistance program) and may use contract help during peak periods.

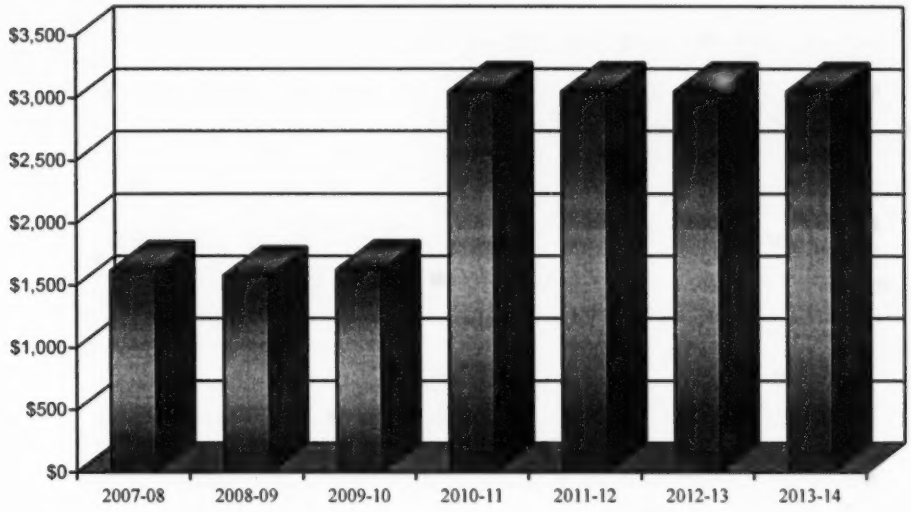
Expenditure Profile

The expenditure profile of the Canadian Section of the NAFTA Secretariat can vary from year-to-year and future spending trends are difficult to predict. This is because the costs associated with delivery of its program fluctuate with the number of dispute settlement cases that are filed. In 2010-2011, for example, it is expected that the case load will remain low.

The government is nevertheless required under NAFTA and Canadian legislation to maintain the dispute settlement system and be ready for new cases as they arise. This includes management of the dispute settlement case registry and the NAFTA Secretariat web site, both of which are the responsibility of the Canadian Section on behalf of the Secretariat, as well as the provision of information to governments and the public on an on-going basis. The corporate expenses associated with the management of the agency itself are on-going.

Against this background, for the 2010-11 fiscal year, the Canadian Section plans to spend $3.051 million to meet the expected results of its program activities and contribute to its strategic outcome. Its Operating Budget for 2008-2009 was $3.004 million, while the actual spending was $1.578 million. For 2009-2010, the projected spending is $1.625 million. As well, this level of spending trend will remain relatively stable during the next three planning periods.

The figure below shows the Canadian Section's spending trends from 2007-08 to 2013-14 ($ thousands).



2010-11 Allocation of funding by Program Activity ($ thousands)

Voted and Statutory Items

The following table illustrates the way in which Parliament approved the Canadian Section resources.

Voted and Statutory Items displayed in the Main Estimates
($ thousands)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2009-10 Main Estimates	2010-11 Main Estimates
50	Program expenditures	2,827	2,858
(S)	Contributions to employee benefit plans	188	193
Total		**3,015**	**3,051**

Section II – Analysis of Program Activities by Strategic Outcome

The NAFTA Secretariat, Canadian Section, has two program activities:

- administration of international trade dispute settlement mechanisms; and
- internal services

The following sub-sections describe the program activities and identify the expected results, performance indicators and targets associated with them. Additionally, information on financial and non-financial resources is presented for each program activity explaining how the Canadian Section fulfills its mandated responsibilities and performance commitments.

Program Activity 1: Administration of International Trade Dispute Settlement Mechanisms

Program Activity Expected Results	Performance Indicators	Targets
Improved administrative support to panels and committees to ensure a just, speedy and cost effective dispute settlement process.	Consistent and immediate availability of accurate, complete and relevant information to support panel proceedings.	At least 80% or more of clients indicating that they are fully satisfied with the information support provided to them.
	Quality of procedural advice and guidance provided to panelists and participants on dispute settlement procedures.	At least 80% or more of clients are satisfied with the procedural advice and guidance provided to them.
Foster effective collaboration in the administration of panel and committee proceedings between delivery partners.	Extent of cooperation and joint undertakings with other national sections in the administration of panel proceedings.	Harmonized administrative practices.
	Effective participation in the NAFTA Chapter 19 Operation Working Group Meetings to influence outcomes.	Active participation.

The following table shows information on planned spending on financial and human resources associated with our key program activity over the coming three-year period.

Financial Resources ($ thousands)			Human Resources (FTEs)		
2010–11	2011–12	2012–13	2010–11	2011–12	2012–13
1,711	1,711	1,711	6	6	6

Program Activity Summary

This is the key program activity of the Canadian Section, which includes procedural advice and guidance, case management, administrative, technical and logistical support to panels and committees and collaboration with the U.S. and Mexican Sections in the joint administration of panels as well as in the joint development of policies and programs aimed at uniform practices.

Planning Highlights

In order to achieve the expected results, the Canadian Section will continue its collaborative endeavours with the other national sections in the administration of panels as well as in joint development of policies and programs aimed at facilitating the operations of the dispute resolution process. During the planning period, we will also continue to provide improved support to panels in the areas of case management and procedural guidance. As well, we will continue to improve on our administrative, technical and logistical support in the administration of trade disputes. Additionally, the Canadian Section, in collaboration with the Mexican, the U.S. Section and the NAFTA Chapter 19 Working Group, will carry out a feasibility study to implement an e-filing system.

Benefits for Canadians

As one of the world's most active trading nations, Canada benefits immensely from the existence of agreements to govern trade and especially, the resolution of trade disputes. The dispute settlement mechanism, which the NAFTA Secretariat administers, underscores the rule of law and makes the trading system more secure and predictable. Exporters and investors are far more likely to engage in international commerce when they have access to an impartial dispute settlement mechanism and services, should disagreements arise.

Program Activity 2: Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

The following table shows information on planned spending on financial and human resources associated with Internal Services over the coming three-year period.

Financial Resources ($ thousands)			**Human Resources** (FTEs)		
2010–11	**2011–12**	**2012–13**	**2010–11**	**2011–12**	**2012–13**
1,340	1,340	1,340	6	6	6

Program Activity Summary and Planning highlights

The Canadian Section is committed to strengthening its management practices in order to advance its management priorities. The Canadian Section is also dedicated to support the government wide priorities by promoting organizational accountability and transparency. The highlights of the Internal Services program activity include continued focus on implementing the organizational changes that have resulted from the recently completed capacity assessment review. Specifically, the Canadian Section will focus on the organizational delivery models and on the governance structure aimed at delivering services in a cost effective and efficient manner. Further, the Canadian Section will continue to implement its information management strategy and upgrade the infrastructure in the areas of information technology that promotes information safeguard and sharing as well as improved productivity.

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